SELECT JOINT COMMISSION ON MEDICAID OVERSIGHT

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MEETING MINUTES[1]

Meeting Date:	**August 31, 2004**
Meeting Time:	**10:00 A.M.**
Meeting Place:	**State House, 200 W. Washington St., Room 233**
Meeting City:	**Indianapolis, Indiana**
Meeting Number:	**2**

Members Present: **Rep. William Crawford, Chairperson; Rep. Charlie Brown; Rep. Clyde Kersey; Rep. David Frizzell; Rep. Timothy Brown; Sen. Patricia Miller; Sen. Robert Meeks; Sen. Billie Breaux; Sen. Vi Simpson; Sen. Gary Dillon.**

Members Absent: **Rep. Mary Kay Budak; Sen. Connie Lawson; Sen. Rose Ann Antich-Carr.**

Rep. Crawford called the second meeting of the Select Joint Commission on Medicaid Oversight to order at 10:05 a.m.

EDS Update

Mr. Dennis Vaughan, EDS, provided summary statistics on the Indiana Medicaid Program (See Exhibit 1). Data provided includes the following: (1) dollars paid, (2) claims paid and denied, (3) number of providers enrolled and participating, (4) number of recipients enrolled, (5) top reasons for denials, (6) Medicaid expenditures, and (7) various operational statistics.

Responding to a question from a Commission member, Mr. Vaughan stated that some reasons

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providers might still submit claims on paper rather than electronically include the following: (1) some claim types require attachments, (2) small offices might not find it efficient to invest in an electronic system, and (3) some providers use claim billing agencies that still use paper submission.

Mr. Vaughan also provided the Commission with a document showing the net change in Medicaid providers by county for key specialties during FY 2004 (See Exhibit 2). Rep. Crawford requested similar information to be provided showing the total number of providers in each county.

Responding to questions from Commission members, Mr. Vaughan briefly described some of the differences between the edits and audits conducted by EDS on the front end of the claims processing system compared to those of the Medicaid Fraud Control Unit of the Attorney General's office. He stated that the Attorney General's office typically conducts retrospective audits. He added that firms specializing in post-payment review use computer algorithms to look for behavioral tendencies of providers.

Mr. Rick Shaffer, EDS, added that EDS processes approximately 39 million claims each year and that there is a tradeoff on how many claims should be stopped or held up because of claims auditing. He also added that the web-based claims submission system is useful at preventing bad data from being submitted.

Ms. Melanie Bella, Office of Medicaid Policy and Planning (OMPP), indicated that the Medicaid Fraud Control Unit is funded by the federal government, while OMPP has contracted with the firm of Myers and Stauffer to try and detect inappropriate billing practices.

Rep. Crawford requested that OMPP and the Attorney General's office work together for a presentation on fraud control at the Commission's October meeting.

Rep. Charlie Brown requested recommendations on how to reduce or eliminate paper claim submissions in the Medicaid Program.

Health Disparities

Rep. Crawford introduced the topic of health disparities, indicating that there are an excessive number of deaths of minority individuals because of their inability to access the same level of health care as the rest of the nation. He added that if health disparities were reduced, we would have a healthier population, which would also lead to a greater ability to learn and, thus, better educational outcomes. Rep. Crawford also indicated that Indiana is a high-cost state in terms of health care costs, which has an impact on the willingness and ability of businesses to locate in the state.

Dr. Gregory Wilson, MD, Commissioner of the State Department of Health, described the report, Health People 2010, as an umbrella plan for federal initiatives and which gives guidance to states on priorities. During the last 3½ years, the State Department of Health has taken that report and developed the plan entitled Healthy Indiana - A Minority Health Plan for the State of Indiana. (See Exhibit 3 for the executive summary.)

Dr. Wilson indicated that the State Department of Health has more than doubled the size of its minority health office since he became Commissioner.

Dr. Wilson also provided information on several grant programs in which the State Department of Health participates (See Exhibit 4). These include the (1) Community Programs to Improve Minority Health, (2) Bilingual/Bicultural Service Demonstration Program, (3) HIV/AIDS Health

Promotion and Education Program, (4) State and Territorial Minority HIV/AIDS Demonstration Program, (5) State Partnership Project, and (6) Technical Assistance and Capacity Development Demonstration Grant Program for HIV/AIDS-Related Services in Minority Communities. Dr. Wilson indicated that grants can take two general forms: (1) those that focus directly on minority health disparities and (2) those that address specific conditions or diseases which indirectly affect minority health disparities.

Dr. Wilson stated that in pursuing federal grants the state often must first demonstrate that the state is serious by putting in state money. The state also examines ways of partnering with other organizations.

Sen. Meeks inquired as to the effectiveness of the state dollars and whether the outcomes that have been achieved were worth the expenditure. Dr. Wilson stated that there has been a reduction in infant mortality from 21.9% to 14.7%, but that a disparity still exists.

Dr. Wilson expressed concerns that the State Department of Health budget lost $3.2 M in Tobacco Settlement funds. Rep. Crawford stated that there is approximately $139 M of Tobacco Settlement funds sitting in the state General Fund. Rep. Crawford added that in the upcoming budget deliberations, if the agency needs additional funds, the agency must ask for them.

Managed Care

Ms. Melanie Bella, OMPP, introduced Mr. John Barth to describe managed care under the Indiana Medicaid Program. (See Exhibit 5 for Mr. Barth's slides.) Mr. Barth described the goals of managed care; the types of managed care programs as consisting of Risk-based Managed Care (RBMC), Primary Care Case Management (PCCM), and Enhanced Primary Care Case Management (EPCCM); provider participation and member enrollments in each type; and the counties which have mandatory managed care and the criteria by which the counties are selected.

Responding to a question from a Commission member as to how policy is developed in the Medicaid Program, Ms. Bella stated that advisory groups or focus groups are established. The groups generally consist of both providers and members.

Continuous Eligibility

Mr. David Roos, State Project Director of Covering Kids and Families, provided a packet of information to Commission members (See Exhibit 6). The packet includes (1) a summary of Mr. Roos's testimony; (2) percentages of people without health insurance coverage by state; (3) Medicaid and CHIP enrollment; (4) tables and charts showing enrollment changes; (5) case closures by reason, both for selected counties and statewide; and (6) the 2003 annual report for Covering Kids and Families of Indiana.

Mr. Roos stated that the repeal of continuous eligibility on July 1, 2002, resulted in an immediate and dramatic reduction in Medicaid enrollment, with CHIP enrollment for higher-income families continuing to increase at a faster rate than before the repeal. He stated that after analyzing data from the Indiana Client Eligibility System (ICES) and other information, his organization arrived at several conclusions. His conclusions include the following, among others: eliminating continuous eligibility has a disproportionate impact upon low-income families; uninsurance rates have steadily increased; more than 25 counties still show a net loss of enrollment; and more than 60% of all Hoosier Healthwise case closures for children are for compliance or procedural reasons, such as moving without notification.

Ms. Bella stated that the managed care programs (MCOs) would likely reduce the number of children losing enrollment because of moving. Ms. Stephanie DeKemper, president of the Centene Foundation for Quality Health Care, stated that it might help to make MCOs aware of re-enrollment dates of their members.

Dr. Nancy Swigonski, MD, Division of Children's Health Services Research with the Indiana University School of Medicine, discussed her study which is summarized in a set of slides entitled "Does Dropping Continuous Eligibility Disproportionately Affect the Most Vulnerable Children?" (See Exhibit 7). She concluded that the elimination of continuous eligibility disproportionately affects the lowest-income population groups who are most vulnerable, which promotes disparities in health care coverage, especially among low-income children.

Sen. Miller inquired as to how many children are dropped from the program because they are no longer eligible versus the number dropped because of reasons not related to eligibility. Sen. Miller also requested that staff research what other states are doing with regard to continuous eligibility.

Lead Poisoning

Mr. Tom Neltner, President of Improving Kid's Environment, asked the Commission and OMPP to do the following: (1) consider actions to ensure that lead-poisoned children who are members of Hoosier Healthwise are identified and treated, (2) provide financial incentives or disincentives to managed care organizations to test children for lead poisoning, and (3) reimburse service providers for case management and environmental investigation treatment services for those children found to have lead poisoning. (See Exhibit 8.)

Mr. Neltner stated that only 8.9% of required blood lead tests are documented by Medicaid for the following reasons: (1) managed care organizations are not documenting the tests, (2) doctors are not ordering the tests, or (3) parents are not following their doctor's orders. He also stated that the U.S. Centers for Medicare and Medicaid Services considers case management and environmental investigation treatment services to be "medically necessary" for lead-poisoned children. Consequently, these services should be reimbursed through the Medicaid Program.

Dr. Wilson, Commissioner of the State Department of Health, stated that the Department is working to put lead poisoning information into the immunization registry, and they are trying to get medical providers to supply the information.

Chicago Children's Hospital Issue

Ms. Melanie Bella, OMPP, briefed the Commission on the Chicago Children's Hospital's indication that they will stop seeing Indiana Medicaid patients (or those from any other state). Ms. Bella stated that the hospital wishes to be reimbursed on the basis of charges rather than costs, and OMPP is working on the issue. She also reported that OMPP's data and information differs drastically from the hospital's. The hospital has also indicated that they will not provide any additional information to the state. Ms. Bella stated that the first step in resolving this issue is to get to the root of the data problems. The hospital currently provides inpatient care to about 100 Indiana children, but the number of additional patients per year that will be affected is unknown. She added that she would follow up on this issue at the next Commission meeting.

Rep. Crawford announced that the two agenda items, Disease Management and Recreational Therapists, would be heard at the next Commission meeting in October. Documents provided to members include Exhibit 9 (regarding the Chronic Disease Program in Indiana) and Exhibit 10 (regarding recreational therapy).

Ms. Melanie Bella, OMPP, provided for later distribution to members an informational flyer entitled “HoosierRx and Medicare-Approved Drug Discount Cards: Two Benefits Will Now Work Together.” (See Exhibit 11.)

There being no further business, Rep. Crawford adjourned the meeting at 12:55 p.m.